

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/07

SPONSOR Komadina LAST UPDATED _____ HB _____

SHORT TITLE Procurement of Lawyer Services SB 50

ANALYST Propst

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total				GSD Reports Cost Unknown	Recurring	Public Liability Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)

SUMMARY

Synopsis of Bill

Relating to the Procurement Code; Providing Requirements for the Procurement of Lawyer Services.

Senate Bill 50 requires that a contract with a lawyer or law firm that exceeds, or is reasonably expected to exceed, \$1,000,000 must be procured by competitive sealed proposals. Further, Senate Bill 50 requires that the hourly fee for contracts referred to in the bill shall not exceed \$1,000. The hourly fee for a flat or contingency fee contract is determined by dividing the total hours worked into the fee, less expenses. If that hourly fee exceeds \$1,000 it must be reduced to \$1,000. Finally, a contract referred to in Senate Bill 50 must be approved by the Attorney General and submitted to the Legislative Finance Committee for informational purposes.

SIGNIFICANT ISSUES

GSD indicates that currently, all contracts for attorney services that exceed \$30 thousand are processed through a request for proposal or other competitive process.

WEP/csd